

19 June 1975

MEMORANDUM FOR: Executive Secretary  
Assistant to the Director  
Deputy Director for Administration  
Deputy Director for Intelligence  
Deputy Director for Operations  
Deputy Director for Science & Technology  
D/DCI/IC  
D/DCI/NIO  
Legislative Counsel  
Inspector General  
Chief, Audit Staff  
Comptroller  
Administrative Officer, DCI

SUBJECT : Conflict of Interest

REFERENCE : Memo for same addressees fm AO/DCI, dtd  
- 25 June 1974, same subject

1. A review of the standards of ethical conduct in the departments and agencies of the Executive branch is underway. This review is prompted by and receiving attention from the highest level of the Executive branch. There has been appointed at the Civil Service Commission a special Ethics Counsel for the Executive branch. The appointee, David Reich, Esq., has visited my Office and reviewed Agency regulations dealing with employee conduct and conflict of interest and has made suggestions for their revision. He has also made suggestions concerning our handling of employment and financial interest statements.

2. The conflict of interest statutes (18 U.S.C. 202, 203, 205, 207, 208 and 209) and Executive Order 11222 (dated 8 May 1965) prescribing standards of ethical conduct for Government employees are applicable to this Agency. It appears, however, that there has been some slippage with regard to reviewing outside activities against these standards and in submitting and reviewing employment and financial interest statements. We, as an agency, are not alone in possibly lacking necessary supervision and follow-through to make our program meaningful. Based upon Mr. Reich's verbal comments and official

memoranda published by the Commission, I see a need to modify our present system of handling employment and financial interest statements to ensure compliance with Commission standards.

3. As you are aware, each of you and certain of your employees whom you designate (see referent) are required to prepare and submit a statement of employment and financial interests. In addition to the preparation and filing of an initial statement, which should occur thirty days after an individual enters on duty with your office, changes in, or additions to, the information contained in these statements must be reported in a supplementary statement which must be returned after 1 July but no later than 31 July of each year. The statement should cover the employment and financial interests as of 30 June. Your original and supplemental statements will continue to be reviewed by me, and original and supplemental statements of your subordinates may continue to be reviewed by you.

4. To assure, as I must, that your supplementary statements are received and reviewed in a timely fashion, the following procedure has been established by the Civil Service Commission, and I propose that you adopt and apply it within your office as I shall within mine. A checkoff list will be established to be sure that all employees required to file statements have done so no later than 31 July. All statements should be reviewed by 31 August, at the latest, and resolution of any real or potential conflict of interest should be completed no later than 30 September. In your review of employment and financial interest statements, I urge you to consult with me or Assistant General Counsel [ ] whenever you have the slightest question concerning anything reported on a statement. Approval of each supplementary statement (and an original statement) must be shown affirmatively by initialing an "OK" or other symbol of approval, the date of approval and the initials of the approving officer. If you have any questions regarding who should file a statement, and what to look for with regard to a real or apparent conflict of interest, please contact either me or [ ]

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5. It is my responsibility to ensure that the steps outlined above have been taken and that the Agency is in compliance with applicable law and regulations. Therefore, following the Commission guidelines, I ask that each of you submit a report to me by 15 September which contains the names of your employees required to file statements, the number received and the results of your review, such as the number approved and those awaiting final resolution. In the latter case, if you have not already presented the problem

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to either me or [ ] you should briefly summarize the problem and how you are handling it. It will no longer be necessary for you to submit a listing of individuals filing a statement to the Administrative Officer, DCI. We have also been informed by Mr. Reich that in order for me to carry out fully my responsibilities as Ethics Counselor for the Agency, it would be advisable to undertake a program of verification of statements whereby I spot-check or review the employment and financial interest statements submitted to you by members of your office. Therefore, shortly after you have informed me that you have completed your review, I may randomly select a name and request the individual's statement so that I may verify it. I solicit your complete cooperation in this matter.

6. For your information, corrective action in the form of writing a new and more thorough regulation covering employee conduct and conflict of interest is being undertaken by [ ] whom I have also asked to review on an Agency-wide basis the employment and financial statements filed by Agency consultants. It is my intention that he work with the DDA, DDI, DDO and DDS&T to insure that we have a uniform, Agency-wide policy and procedure with regard to filing and reviewing employment and financial statements. I believe I should review all such statements filed by individuals paid at one of the levels of the Executive schedule.

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[ ]  
JOHN S. WARNER  
General Counsel

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cc: DCI  
DDCI

[74-1761]  
ex 74.1109

25 June 1974

MEMORANDUM FOR : Deputy Director of Central Intelligence  
Executive Secretary  
Assistant to the Director  
D/DCI/IC  
D/DCI/NIO  
Legislative Counsel  
General Counsel  
Inspector General  
Chief, Audit Staff  
Comptroller

SUBJECT : Conflict of Interest

REFERENCE :



1. Each 30 June employees are required to file a Statement of Employment and Financial Interests (Form 2630) if they are in either of the following categories:

a) paid at one of the levels of the executive salary schedule (EP),

b) at the GS-13 or above level and responsible for making decisions or taking actions regarding: (1) contracting or procurement, (2) administering or monitoring grants or subsidies, (3) regulating or auditing private or other non-Federal enterprise, or (4) involved in activity where the decision or action has an economic impact on the interests of a non-Federal enterprise.

2. In the event an employee has previously completed a Form 2630, the regulation requires only a supplementary statement indicating any changes. However, since a large number of organizational changes and personnel reassignments have occurred in the past year, it is desirable that new statements be filed by all personnel in categories a and b supra.


3. The completed Form 2630 is to be marked "Employee Financial Statement, Eyes Only" and forwarded to the Office Head for review. The Office Head will comment whether in his opinion the duties of the employee involve the organization's activities or real property, in which the employee has a financial interest or an employment relationship. If the conclusion is negative, the statement will be held in an "Eyes Only" file by the Office Head. If the conclusion is affirmative, or questionable, the statement and comments will be forwarded to the General Counsel for review. If the General Counsel determines that a conflict of interest may exist, the Office Head will, in consultation with the General Counsel and, if appropriate, the employee take action to resolve the situation.

4. Office Heads should forward their own Forms 2630 directly to the General Counsel for review and submission to the DCI.

5. Although the majority of Forms 2630 will be filed with the Office Head, it is requested that a listing of the names of those individuals in each office who have been requested to file Forms 2630 be submitted to the AO/DCI.

6. Additional Forms 2630 can be obtained from the AO/DCI.

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Administrative Officer, DCI

Atts:  
Forms 2630